

Montgomery targets unsustainable salaries, benefits

By: [Brian Hughes](#) 12/07/10 8:05 PM

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Montgomery County Council members said Tuesday they will rein in employee compensation after a new report outlined a plethora of salary and benefit cuts needed to close the wealthy suburb's perennial funding gaps, a move that has area public employees unions questioning the legislators' liberal moxie.

The study released by the county's Office of Legislative Oversight charts a variety of cost-saving options, such as slashing wages, retirement pensions and health insurance. Without implementing any of the measures, the council would be forced to raise taxes or chop the county work force as deficits continue to pile up.

Average monthly family medical premium

Montgomery County		\$1,756.78
Montgomery County Public Schools	\$1,329.65	
Anne Arundel County	\$1,178.42	
Fairfax County	\$1,031.89	
Prince George's County	\$1,001.19	

Percent of medical premium paid by employer

Montgomery County Public Schools	95 percent
Anne Arundel County	90 percent
Montgomery County	80 percent
Prince George's County	78 percent
Fairfax County	75 percent

Already, the county is staring at a \$350 million shortfall over the next year and a half.

"[Without reductions] the county will likely find itself in the same position every year, identifying a gap that must be closed and then scrambling for a solution," warned OLO Director Karen Orlansky. "There are no magic solutions where everyone wins."

Over the past decade, the costs of pension and retirement benefits jumped from \$59.3 million to \$193.4 million -- 226 percent -- and health benefits for active employees soared 134 percent, from \$134.4 million to \$314.6 million.

Benefits increased more than 120 percent, while employee salaries grew 50 percent.

However, officials have yet to rally around a solution.

Among the possibilities: limit employer coverage for health benefits to 70 percent -- schools pay up to 95 percent -- roll back salaries by as much as 5 percent or switch to a defined-contribution plan for retirement benefits, such as a 401(k) system, which would save hundreds of millions of dollars in the long term.

In comparison, the county would have to hand pink slips to 110 workers just to save \$10 million.

"The only way I see to avoid the worst outcome -- which is layoffs -- and protect taxpayers is to grapple and address the cost per employee," said Councilman Phil Andrews, D-Gaithersburg/Rockville.

Such talk isn't sitting well with the county's public employees unions.

"It's appalling that these sentiments are echoed by our so-called friends who call themselves progressive Democrats," said Gino Renne, president of the Municipal and County Government Employees Organization.

Montgomery teachers union President Doug Prouty added: "Montgomery County voters did not elect the Tea Party, and they do not expect the members of the County Council to act like the Tea Party."

Some council members bristled over challenges to their liberalism.

"You are before one of the most progressive political bodies in the country," said Councilman Roger Berliner, D-Bethesda/Potomac. "We are not right-wing folks. We have to look at [compensation], or else we would be irresponsible."